

STAT

EXECUTIVE SECRETARIAT
ROUTING SLIP

TO:

| | | ACTION | INFO | DATE | INITIAL |
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| 1 | DCI | | X | | |
| 2 | DDCI | | X | | |
| 3 | EXDIR | | | | |
| 4 | D/ICS | | | | |
| 5 | DDI | X | | | |
| 6 | DDA | | | | |
| 7 | DDO | | X | | |
| 8 | DDS&T | | | | |
| 9 | Chm/NIC | | | | |
| 10 | GC | | | | |
| 11 | IG | | | | |
| 12 | Compt | | | | |
| 13 | D/OLL | | | | |
| 14 | D/PAO | | | | |
| 15 | D/PERS | | | | |
| 16 | VC/NIC | | | | |
| 17 | D/NESA/DI | | X | | |
| 18 | C/NE/DO | | X | | |
| 19 | NIO/CT | | X | | |
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SUSPENSE

Date

Remarks

Executive Secretary

Date

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SECRETNATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506ADD ON SYSTEM II
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Executive Registry

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February 12, 1986

MEMORANDUM FOR MR. DONALD P. GREGG
Assistant to the Vice President
for National Security Affairs

MR. NICHOLAS PLATT
Executive Secretary
Department of State

MS. SHERRIE COOKSEY
Executive Secretary
Department of the Treasury

COLONEL DAVID R. BROWN
Executive Secretary
Department of Defense

CAPTAIN JOHN BITOFF
Executive Assistant to the Chairman
Joint Chiefs of Staff

SUBJECT: CPPG Meeting, Thursday, February 13

The CPPG will convene on Thursday, February 13, 1986 at 3:30 P.M.
in Room 208, The Cordell Hull Conference Room. An Agenda and
list of participants are attached.



Rodney B. McDaniel
Executive Secretary

Attachments
Tab A - Agenda
Tab B - List of Participants

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Tab A

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TAB B

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CRISIS PRE-PLANNING GROUP
THE CORDELL HULL CONFERENCE ROOM 208
Thursday, February 13, 1986
3:30-4:30 P.M.

PARTICIPANTS

WHITE HOUSE

Donald R. Fortier

OVP

Donald P. Gregg

NSC

Rodney B. McDaniel

Ronald C. St. Martin

Howard R. Teicher

Elaine L. Morton

STATE

Michael H. Armacost

Robert A. Oakley

Arnold L. Raphel

TREASURY

Robert M. Kimmitt

Russell Munk

DEFENSE

Dr. Fred C. Ikle

Richard L. Armitage

CIA

Robert M. Gates

Clair E. George

Charles E. Allen

JCS

LTG John H. Moellering

LTG Richard A. Burpee

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Talking Points for the ADDI

13 February 1986

CPPG Meeting on Libya

Economic Impact of US Sanctions

The freeze on Libyan financial assets has had the greater impact among the various US economic restrictions imposed last month.

- Libya lost immediate access to an estimated \$700 million--about 13 percent of total foreign exchange holdings prior to the freeze--and has been unable to pay off some outstanding bills.
- Tripoli's attempts to circumvent the freeze have met with little success.
- Most US firms have left Libya or turned their operations over to foreign subsidiaries. About ~~100 to~~ 150 US citizens remain in Libya and probably will stay because of family ties.

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oil still 1.2 m/day

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Qadhafi's State of Mind

Qadhafi's confrontation with the US has lifted him from the emotional low of last November, following the killing of his cousin and confidant, Hassan Ashkal.

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- Qadhafi's public appearance and interviews since the US increased military and economic pressure on Libya show him relaxed and lucid. Recent statements also suggest that he has accepted the possibility of a military engagement with US forces.
- The current confrontation with Washington almost certainly has strengthened Qadhafi's determination to attack US interests.

Intentions in Chad

Qadhafi has initiated another campaign of military pressure and diplomatic maneuvering to test French resolve for President

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Habre. Qadhafi may believe that, with French elections a month ^{17 Mar} away, Mitterrand would be more willing to make concessions to preclude Chad in becoming a last-minute issue.

- Libyan support in the current fighting probably is limited to providing advisors and communications assistance.
- More blatant involvement including air support and armor, is possible if Habre pushes Chadian rebel units northward or if Qadhafi perceives that Paris is unwilling to intervene on Habre's behalf.
- Rebel leader Goukouni--almost certainly on instruction from Tripoli--has declared a readiness to negotiate with Habre "without preconditions." Libyan officials also met last week with the Senegalese and Congolese Foreign Ministers, probably to discuss renewd negotiations.

Intentions in the Gulf of Sidra

Libyan forces have increased their alert level and reacted energetically to the resumption of US activity in the Tripoli Flight Information Region this week.

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- The air reaction so far is similar to that seen in the first days of US Navy operations in the Tripoli FIR last month. The activity contrasts with the later stages of the Libyan reaction to the FIR operations in late January, when Libyan interceptors were forbidden to approach US fighters outside the Gulf of Sidra.
- Libyan warships remain dispersed among several ports, with only a few at sea. None have yet approached Sixth Fleet ships off Libya.

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Intentions Regarding Terrorism

We see no evidence of a slowdown in Libyan support for terrorism.

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